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EXCLUSIVE
SAIL'S RS 1000-CR SCAM

gfiles
INSIDE THE GOVERNMENT

PHOTOS: gfiles

'Our target is 50 crore subscribers by 2010'

BIG BOSS | **nripendra mishra**

Nripendra Mishra, Chairman, Telecom Regulatory Authority of India (TRAI), is a 1967 IAS offi cer from the UP cadre. He was Secretary, Department of Telecommunications (DoT), where his major decision was the move from analog to digital. | *interviewd by* ANIL TYAGI

He also served as Additional Secretary, Department of Fertilizers. He is credited with devising the pricing policy of fertilizers and the rural credit scheme. A towering figure among senior bureaucrats, he has been president of the All-India IAS Officers' Association and believes that the country's federalism has been strengthened and best implemented in spirit by the IAS.

gfiles: *What is the work of TRAI?*

Nripendra Mishra: The Telecom Regulatory Authority of India (TRAI) Act came into being in 1999. It does not adjudicate. For adjudication, the Telecom Disputes Settlement and Apellate Tribunal (TDSAT) is there. TRAI has recommendatory powers. One, it takes cognizance *suo moto*. Two, it does so on the government's recommendation. Its third role is regulating licence policy. The fourth is managing spectrum. Under this head, it deals with compliance with rules by licence-holders; quality of service, protection of the customer; interconnectivity, regulation of tariff (absolutely in our power) and telecom rules.

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former foreign secretary shyam saran on changing the ifs

We decide the issues, seek clarifi cation, compliance, do internal analysis, and recommend that the government regulate on something with a note stating why we are sending the recommendation.

gfiles: *What is the size of the subscriber base?*

NM: We now have a telephone subscriber base of 20.6 crore while the broadband subscriber base is 23 lakh. Our target is to have a subscriber base of 50 crore by 2010. The government and private shares are equal.

gfiles: *Is the private sector benefi ting from government infrastructure?*

NM: No. All private players have their own infrastructure. We decided that the government would not unbundle the broadband infrastructure of BSNL and MTNL. We allowed them to continue with copper wire broadband.

gfiles: *Where do you stand in rural telephony?*

NM: In rural telephony, we are below 4 per cent connectivity. Nationally, we have 90 per cent connectivity. DoT set up the Universal Service Obligation (USO) Fund for areas where there is less or no connectivity. Iy is a non-lapsable fund and is allotted to three operators in a particular area. DoT's satellite and fi eld survey showed 7,000 points of gaps in connectivity – much of it in rural areas. These are net negative areas. This means capital cost plus operation cost yields negative revenue.

The problem with rural telephony is that there is no infrastructure like power, housing, liveable conditions. Even BSNL has a negative fl ow of funds in rural telephony in some areas. The government gives Access Defi nite Charge to those providing rural telephony. I recall that the Planning Commission would plan to fi nish the waiting list for new telephone connections in a particular area. But now the situation has changed, you go and get the connection at once. The east India states are the new area for telephone density, 60 lakh new subscribers are coming in every month from Bihar, Orissa and West Bengal. Rural telephony is a prime concern of the government.

'East India gets 60 lakh new phone connections every month'

gfiles: *What about NGN (New Generation Network) issues?*

NM: NGN has got broadband, voice data and entertainment. Mumbai, Delhi, Kolkata ask for all of these. NGN has been implemented only in Europe. TRAI does not have much role in convergence. The Ministry of Information and Broadcasting, and the Ministry of Communications and Information Technology have to decide the issue. There is a growing demand by Internet Service Providers (ISPs) that PC to PC connectivity should be allowed. Out of 385 ISP licences, 10 are surviving. Earlier, we did not charge anything for ISP. Now, the cable people are saying they should be given telephone rights. We don't regulate on a day-to-day basis, we don't want to make laws on every issue. We want laws that allow for competitive growth and to let the market decide, contribute and regulate itself.

gfiles: *What about unsolicited calls?*

NM: We are coming out with new regulations. In the US, the penalty is a fi ne of $11,000 for an operator making an unsolicited call – the fi rst offence.

gfiles: *And what about the quality of service?*

NM: Call drops, inaccurate bills, non-connectivity – all these have to be solved. The basic problem is over interconnectivity not being permitted. The infrastructure is inadequate. A tower can service only 300 subscribers but the traffic amounts to 500 subscribers. We are focusing on these issues – spectrum, interconnectivity, infrastructure, billing problems. We are coming out with defi nite regulations on all these aspects and we are going to tell the public quarterly which operator failed and why.

gfiles: *And number portability?*

NM: We made a recommendation to DoT in 2005. They are yet to decide. Number portability requires a lot of investment in infrastructure. g

gfiles
INSIDE THE GOVERNMENT

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Apart from the fi stful of letters that are published below, we have received emails, sms's and telephone calls from across the country commending the production values and content of the inaugural (April) issue of gfi les. Even though the magazine is designed for and sent to a niche audience – mostly public servants – we received responses from corporate executives, politicians, journalists, social workers indicating that our new product already has a healthy pass-along circulation. It has attracted attention from the very beginning. What came as a pleasant surprise was the readiness of civil servants to consent to interviews and their volunteering to write for us. Bureaucrats usually maintain a low profi le, even after retirement. But gfi les does not fi ght shy of controversy. I think it has struck a chord because, as one senior serving civil servant told me: "You are holding a mirror to governance and we should face up to seeing ourselves warts and all."

For us to continue to do that we have to remain fi nancially viable. gfi les has not sought, and nor is it seeking, corporate backing. It is not available at newsstands. We mail complimentary copies to a huge nationwide mailing list. Nonetheless, we welcome subscriptions. These are akin to our readers' voluntary contributions to ensure that gfi les continues to be healthy, independent and different. Our fi rst subscription order (for three years) – which is now framed – came from Tilonia's Bunker Roy, winner of the St Andrews Prize, Britain's biggest environment award. Thanks, Bunker. We celebrated that event with *chai* and *samosa*s.

INDERJIT BADHWAR
Editor-in-Chief

birthdays | MAY 2007

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For the complete list, see www.indianbuzz.com or www.gfiles.info

LETTERS

Congratulations on your new magazine. Compulsive reading and a great idea! Good piece on Kamal Nath but I don't like the idea of an astrology column.
Rahul Singh, WRITER & JOURNALIST

Well done! Good job! Keep it up! Hope to read more of the same in the next issue.
Prof. Sanjay Sehgal, DEPT OF FINANCIAL STUDIES, DU

Really good insight into our fraternity. We can do without the astrology bit. M C Gupta's nostalgic recollections were a charming read.
Narendra Kumar, SECRETARY INDUSTRIES, DELHI GOVT

After reading your column, I am happy I purchased EIH shares. What is your advice regarding the forthcoming public issue from Fortis?
Sunil Madhavapeddi, VIA EMAIL

Stock Doctor replies: *In my opinion, Fortis shares are best avoided at the moment.*

Son as Badal's nemesis

sukhbir spree

PHOTOS: gfiles

SUKHBIR SINGH BADAL: REIGN SANS REINS

Sukhbir Singh Badal is to Prakash Singh Badal what Om Prakash Chautala was to Chaudhry Devi Lal in state politics. The elder Badal and the Tauji were close friends and, being feudal in mindset, anointed their sons as their successors. Sukhbir is the son and sitting MP from Faridkot constituency of Punjab and a former Union minister in the NDA government. Meticulously groomed in politics by his father, the missionary school-educated *puttar* is the *de facto* Chief Minister of Punjab. The ailing father bequeathed the *jagirdari* of the Akali Dal to his son after becoming Chief Minister on the ground of his being preoccupied with governance.

Besides, Sukhbir has to his credit the essential qualification, in the true tradition of modern Indian politics, of having been jailed on charges of amassing assets disproportionate to his known sources of income. His assets were valued at a huge 8 per cent of India's projected defence expenditure for 2003-04.

After Badal took oath on March 1, there was a largescale transfer of IAS and IPS officers in Punjab. Sources confirm that his son handpicked officers for every coveted posting, including Chief Secretary to CM and the state police chief. His complete disregard for merit has left upright and neutral officers feeling demoralised.

Even veteran Akali Dal member Capt. Kanwaljit Singh, Cooperation Minister, has been completely sidelined by Sukhbir in the party and the government. Kanwaljit has been Prakash Singh Badal's real political strength in the past and a popular figure among the party cadre. Now party workers are wondering if he will become a casualty of dynastic rule or whether he will strike back at an appropriate time.

Tiwari's 'youth' his bane?

our father, in the chair

The youthfulness of an octogenarian Congress veteran uprooted from Uttar Pradesh and made Chief Minister of a small hilly state has been much commented upon but, at least once in his career, it has boomeranged on him. Considered the last surviving political threat to the Nehru-Gandhi family, Narain Dutt Tiwari was despatched by New Delhi as Chief Minister of Uttaranchal (now Uttarakhand). The purpose was twofold: engineering his exit from Central politics as well as containing the state president who belonged to the camp of the late Jitendra Prasada.

Tiwari, having weathered many a season, embarked on a single-point programme, to the detriment of the state. During his five-year stint, he liberally nominated obscure female faces to various government bodies without any regard for merit. The CM, of course, called it female empowerment.

But these nominees quickly picked up the art of felicitation from their experienced mentor and became power brokers. Businessmen started hovering around them and their fee for getting work done through the Chief Minister varied from Rs 10 lakh to 20 lakh, excluding commission.

And, say eyewitnesses, they also unleashed a part of their newly-acquired power on the CM himself. They say that, some months later, many of these women, with babes in their arms, began paying visits to the Chief Minister in his office. On one occasion, he asked one of them, "Such a cute fellow, whose son is he?" "Yours," came the reply. The CM hurriedly told his private assistant to give the woman Rs 5 lakh at once and show her out. Thereafter, many others came and went, pocketing lakhs of rupees from the "generous" politician.

Get lost, Nitish tells Sharad

end of tether

ILLUSTRATIONS: aruna

Bihar Chief Minister Nitish Kumar has had enough. Exasperated, he has finally come out and started refusing the unreasonable demands of party veterans. Nitish is the undisputed leader of the powerful and numerically dominant kurmis of Bihar who decide the fate of electoral candidates in the Gangetic plains of Bihar, including the Vaishali and Muzaffarpur parliamentary seats. Be it the Samata Dal or the Janata Dal (United), Nitish has always managed to ensure the entry of George Fernandes into Parliament from Muzaffarpur. Sharad Yadav also owes his Rajya Sabha berth from Bihar to Nitish. However, neither Fernandes nor Yadav has ever acknowledged Nitish's role in their electoral victories.

With Sharad's election as the new JD(U) president in a one-sided battle against Fernandes, Nitish has almost gotten rid of the latter. And has begun to assert his authority with the former. When the JD(U) fielded candidates in the UP polls, Sharad asked Nitish for a helicopter for electioneering. Since all other national leaders were using helicopters, Sharad thought it demeaning to campaign without one. Nitish, knowing that Sharad has no stake in UP politics, refused to oblige.

Smudgy business for Coal Minister Dasari

honestly, such hurdles

The Minister of State for Coal, Dasari Narayan Rao, is a man from the world of the arts – being a former actor, director, film producer and script writer in Telugu cinema. Belonging to the powerful Kapu community of coastal Andhra Pradesh, he has a clean image. Yet, of late, the fossil fuel known as *kaala sona* seems to have soiled it.

Dasari recently formed a friendship with two brothers from Uttar Pradesh, who have now become the conduit for coal mafias to reach him – bypassing his Private Secretary and the Secretary to the Ministry. The PS is A A Rao of the Indian Information Service – a seasoned and straightforward man who keeps brokers at arm's length. The Secretary of the Ministry, Harish Chandra Gupta, is an IAS officer from the UP cadre who has consistently refused to oblige favour-seekers.

So the Minister, who would apologetically tell the brokers that his PS refused to favour businessmen, decided that he had to get rid of the Secretary. The matter went to the Cabinet Secretary. And, predictably, political considerations prevailed over honesty. Sources say the Secretary is leaving to become Chairman, National Highways Authority of India. The man he is replacing there, Pradeep Kumar, is tipped to become the new Secretary in the Coal Ministry.

The catch is that Dasari cannot rejoice as the new imcumbent is again an upright IAS officer! g

Paragons of virtue!

is the civil service contribution to the nation any cause for celebration? | *by* M G DEVASAHAYAM

PAT ON THE BACK: PM MANMOHAN SINGH GIVES OUT AWARDS TO CIVIL SERVICE OFFICERS ON CIVIL SERVICE DAY

At his second Civil Service Day ceremony on April 21, PM Manmohan Singh called upon civil servants to acquire "new skills and capabilities". Today's civil servants do need new skills and capabilities. How else would they implement the government policy of establishing fiefdoms of private-gated "cities and enclaves" in the garb of SEZ? They require special skills to deprive landless labour, urban poor, small farmers and traders of their livelihood to facilitate 100 per cent FDI in real estate and retail business! And to usher in the model of "inclusive growth" by providing 100 days of work a year at Rs 50 a day to a few thousand rural unemployed people!

The Prime Minister exhorted bureaucrats to remain "politically neutral and professionally competent". He assured them the government was trying to ensure that "the honest and motivated" were rewarded, and "the dishonest are punished".

Let us hear some civil service stalwarts….

Civil servants seem to have created an impression that they are mainly interested in promoting their careers and getting plum post-retirement sinecures by "turning jelly" in the presence of political bosses

"Look at how the civil service is viewed by the public. They are seen as corrupt, communal and parochial ... run by the elite, liberal, upper-class families." This is Nirmal Mukherji, one of India's most eminent civil servants. In 1975, Prime Minister Indira Gandhi removed him as Union Home Secretary to facilitate proclamation of Emergency. After Emergency, he returned as Cabinet Secretary.

This is how Jayaprakash Narayan, at present a member of the Administrative Reforms Commission (ARC), describes the state of India's governance:

"We have everywhere innocent persons who are afraid of police constables, people who cannot gain access to a government office without a bribe, parents who cannot get decent education for their children in government schools, consumers who do not get provisions in a ration shop, citizens who cannot vote freely, children who do not get immunization in health centres, farmers who cannot sell their products in fair markets, commuters who cannot reach destinations on time, public utilities that overprice services without amenities, and litigants who cannot get justice for years. In such a milieu, democracy becomes a meaningless concept and governance becomes constitutional brigandage."

Former UPSC Chairman P C Hota, when in the saddle, had remarked on the crisis of identity in the civil services. He deplored politicians' attitude towards civil servants and said the former expected the latter to be "meek" and carry out their orders as "submissive agents". Hota said that if a civil servant "dares to revolt", he is transferred, denied promotion or recognition.

Civil servants seem to have created an impression that they are mainly interested in promoting their careers and getting plum post-retirement sinecures by "turning jelly" in the presence of political bosses. Surely things can change only if upright officers, even at cost to career, inspire their colleagues to live up to the expectations of the founding fathers who covenanted the civil service in the Constitution.

Will such civil servants stand up and be counted? When they do, we will celebrate the civil service with fireworks! g

(The writer, a former IAS officer, is managing trustee of SUSTAIN, a Chennai NGO for urban issues)

Gender bias? What poppycock!

the recent controversy should provoke the entire Foreign Service to introspect and take up issues of promotions, transparency, justice and equity

BY NIRANJAN DESAI

ILLUSTRATIONS: aruna

When Shivshankar Menon was appointed foreign secretary last year, most of the 16 superseded officers accepted the government's decision after initial protests. Some sought voluntary retirement, others looked for new assignments.

A husband-and-wife combination, however, kept the issue smouldering. Veena Sikri, who was High Commissioner to Bangladesh, approached the Chief Information Commissioner, under the RTI Act, to access files relating to the appointment. The Delhi press reported this with the spin that she perhaps was excluded because of "gender bias". Rajiv Sikri, who sought voluntary retirement in protest against the decision, wrote a two-part op-ed piece in the Asian Age (March 28-29, 2007) pontificating on the need for "transparency, justice and equity in administration and government accountability" in high-level bureaucratic appointments. He also made all kinds of allegations against the government and against Menon.

Menon is a fine and capable officer with a distinguished record. To allege that his selection was influenced by cronyism and pressure by regional, political, and foreign lobbies is stretching the truth.

Most Foreign Service officers, serving and retired, would also whole-heartedly agree with Veena that there is gender bias in its ranks – but not in the way she sees it. It is generally against the men! Women officers mostly have postings in comfortable places; barring a minuscule number, they hardly ever serve in hot spots or in less than salubrious climes, say, in Africa (excluding South Africa).

So this talk of gender bias in the present-day MEA is a red herring. Chokila Iyer's appointment as the first woman Foreign Secretary bears testament to this observation. Yet, people like media relations honcho Dilip Cherian (writing in Asian Age: "Gender bias in MEA", April 8, 2007) are surprisingly swallowing the red herring hook, line and sinker. Cherian writes: "According to those in the know, it is an unwritten norm in the ministry not to allocate top ambassadorial positions to women." This is sheer nonsense considering that India's current ambassadors in China, Germany, Canada, Sweden, Turkey and the Netherlands are all women.

Whenever it suits them, bureaucrats – like politicians – hide behind the curtain of high principles to cloak their own thwarted ambitions. This is not to trivialize the issues emphasized by the Sikris. It is the context that raises questions. We all know about nepotism or favouritism in high-level bureaucratic postings. There are so many glaring instances that we have become inured. Nobody raises such issues unless one is adversely affected.

The Foreign Service has never taken up such issues because, as Rajiv Sikri has pointed out, everyone prefers to muffle his conscience so as to be able to bag a comfortable and lucrative post

The Foreign Service as a whole has never taken up such issues because, as Rajiv Sikri has rightly pointed out, everyone prefers to muffle his conscience so as to be able to bag a comfortable and lucrative post. Why rock the boat unnecessarily?

The Foreign Service Association, unlike the IAS Association, has never stood up for the grievances of middle-level and junior officers. Nor has it taken up important issues like favouritism in postings or transparency in promotions. When I was a junior officer, several batches of the Foreign Service consisting of junior officers had filed a writ petition in the Delhi High Court against the ministry's decision to arbitrarily increase the quota for the IFS 'B' officers to be inducted into the IFS 'A', since this affected their promotion prospects. We were all at various stages intimidated and even threatened by joint secretary-level officers into withdrawing the petition because we had dared to state that the then foreign secretary's decision was patently mala fide.

So if the Foreign Service today finds itself in such a predicament, it has only itself to blame because, in the 60 years of its existence, it has failed to inculcate esprit de corps. Hopefully, the recent controversy will provoke the entire Foreign Service to introspect and forcefully take up issues of promotions, transparency, justice and equity as a whole and not affecting merely a few at the top. g

'Forged FIRs are registered for harassing IAS officers'

PHOTO: sharad saxena

REVA NAYYAR: MINCING NO WORDS

Reva Nayyar, a 1968 batch IAS officer from the Haryana cadre, is a former president of the 4,000-member All-India IAS Officers' Association. She retired in July 2005 as Secretary, Ministry of Women and Child Development.

In the running for the Cabinet Secretary's post, she lost out to B K Chaturvedi. If selected, she would have become the first woman in the post. But she bears no rancour, as she tells gfiles.

gfiles: *What has been your experience as president of the All-India IAS Officers' Association?*

Reva Nayyar: Not many people come to the meetings due to lack of a common agenda or interest. There were times when members were unhappy but did not want to share with others.

gfiles: *Does the Association receive suggestions for reforms?*

RN: Yes. We discuss them and then submit them to the Administrative Reforms Commission.

gfiles: *Does the government listen to the Association?*

RN: Yes, and the concerned ministers talk to us. We meet the Cabinet Secretary and other top officials regularly. We place our problems before the government and often suggest how to get rid of undesirable officers.

'The biggest concern is protection of our officers. In politically sensitive states, IAS officers are concerned as to who will protect them'

gfiles: *What is the biggest challenge before the Association?*

RN: The biggest concern is protection of our officers. In politically sensitive states, IAS officers are concerned as to who will protect them. There is a general feeling that talented officers are ignored and sycophants are promoted. Officers are increasingly questioning why they should not quit for other jobs. The biggest challenge is how to deal with politically sensitive states. When an officer is transferred 20 times in 20 months, where is the responsibility? At times, forged FIRs are registered for harassment.

gfiles: *Why does an IAS officer feel that he or she is underpaid?*

RN: We get a simple house and half the time an old, broken-down Ambassador car. Nowadays, the private sector also offers accommodation and transport. If the government wants to keep its talent and manpower, it should hike salaries so that we can live with dignity. Salaries should be revised.

gfiles: *Do you find any qualitative change from earlier days?*

RN: Earlier, there was no question of dishonesty. We would hear that somebody had done a small favour. By and large, people were honest. The majority of us are still honest. However, some black sheep are spoiling our image. Earlier, no one could doubt anyone. In the past 10 years, there has been a perceptible change. Now, when a corrupt officer gets off with a warning, others feel they too can get away with something similar.

gfiles: *What can be done now?*

RN: The corrupt should be dismissed. The government recruits and nurtures them, and spends resources over the years to make them good administrators. The government should look after them but fear of action by it should also be there. The government should keep good officers like a precious commodity.

gfiles: *What about the appointment of the Cabinet Secretary, when you were in the running?*

RV: The government has every right to select the person of its choice. It gets lots of input about an individual before selecting someone for the post. I accepted the decision with grace. I did not resign, I retired. g

The markets have shed a lot of flab and future direction is still unclear. International factors such as the impending US slowdown, the appreciating yen and the growing US deficit, uncertainties in the Chinese stock market, and rising crude prices have started showing impact on the Indian market.

There are concerns on the domestic front as well. With inflation at a near two-year high, the government's main effort seems to be to tame it by resorting to a massive squeeze in liquidity through increase in interest rates and CRR. This has taken a heavy toll on interest-sensitive sectors such as banking and financial services, housing and construction, automobiles, consumer durables, and so on. With the rupee touching a nine-year high and hovering at Rs 42 a dollar, export-oriented sectors like IT have taken a severe beating. With Wipro, Infosys, TCS and Satyam accounting for substantial weightage in the sensex, it too has suffered.

The drubbing of the ruling party in recent elections may compel it to resort to more populist measures which may not be good for the market's long-term health. It seems to have effectively shelved reform with the word not finding a mention even once in the Union Budget of 2007. This is also the time when monsoon-related uncertainties start surfacing.

In this scenario, an investor should stick to the age-old strategy of playing the long-term game and avoiding short-term temptations. With the great Indian growth story still intact, making money is not just about taking risk or avoiding it. It is about managing risk prudently. So, look for sectors which are relatively safe such as power, hospitality, pharmaceuticals, media, logistics, food-processing, and so on and try to spot the stars of tomorrow – be it in value unlocking or hyper growth. I recommend two stocks – one a value unlocking one and the other a high growth one. Both could be multi-baggers.

Errata: *In the previous issue, the estimated value of NIIT's holding in NIIT Tech (and not NIIT) is valued at more than Rs 200 per share of NIIT.*

TELECOM LOOKING TO A STELLAR ROLE IN THE FUTURE

VINDHYA TELELINK—CMP RS 90

An M P Birla Group company, promoted by Universal Cables Limited and MP-SIDC, it is mainly engaged in manufacture and supply of jelly-filled and optical fibre telecom cables to BSNL, MTNL, Bharti, Reliance, Tata, Railways, Defence, SAIL, NTPC, etc. The firm expects robust growth in its business due to increased thrust on e-governance and rapid growth in broadband connections.

Its turnover of Rs 153 crore in the financial year 2006 was higher by almost 50 per cent compared to Rs 104.5 crore the previous year. Profits also showed robust growth of more than 200 per cent from Rs 0.42 crore to Rs 1.30 crore.

However, the sales and profit figures are not the reason to recommend the stock to long-term investors. It is the hidden value that the company has in the form of investments in subsidiaries and other group companies. With a book value of almost double the current market price (CMP), the market value of these investments is estimated to be worth many times the CMP. Moreover, with the increase in dividend tax to 15 per cent and introduction of exchangeable bonds to facilitate unlocking of cross-holdings by such companies, the value in the stock is waiting to unlock sooner rather than later.

POLYPLEX CORPORATION—CMP RS 114

ILLUSTRATIONS: arpoora

This is the fourth largest and lowest cost producer of PET film in the world. The last three quarters were the worst for the company due to high crude prices. However, of late the prices have come down. In the coming quarters, the company's profitability is likely to witness a massive jump. With its Thailand unit doing exceedingly well, the stock is in for a re-rating. Moreover, the stock – priced at less than half its book value – is available at a price which is near its lowest price in the recent past.

The author has very limited exposure to the stocks recommended in the column of this and previous issue with a long-term perspective. gfiles does not accept responsibility for investment decisions by readers of this column. Investment-related queries may be sent to gfilesindia@gmail.com with Dr Sood's name in the subject line.

PHOTOS: sharad saxena

TWO MOODS OF PAWAR: PARANOID, RESILIENT

MARATHA MACHIAVELLI

by ANIL TYAGI

On May 15, 1998, Rajesh Pilot, P A Sangma, Tariq Anwar and Sharad Pawar were sitting in the latter's house in New Delhi – in a mood that matched the simmering heat of the summer afternoon. There was no way they were going to accept Sonia Gandhi, a foreigner, leading the Congress. The four glowering men came to a decision – they would leave the Congress the next day and launch a new party, the Nationalist Congress Party.

But, the next day, though Pawar, Sangma and Anwar were at the press conference to announce their new party, Pilot was missing. He had driven straight from Pawar's residence to 10, Janpath to get word to Sonia Gandhi about the conspiracy. And, when a journalist asked Pawar about Pilot's whereabouts, he flashed the quintessential smile that conveys an understanding of the expendability of principles in politics.

And, some years on, Pawar himself became a coalition partner of the same Sonia Gandhi-led Congress.

Another story illustrative of Pawar's career describes how Chandrashekhar introduced the Maratha politician to Bhairon Singh Shekhawat during the Janata Party regime and the two young men then went on to humour Morarji Desai, who would treat Pawar somewhat dismissively. Subsequently, Chandrashekhar once walked in on the three immersed in discussion. When Chandrashekhar queried Desai, the latter replied that the two were learning his *saumutra* technique to implement it in their states. Chandrasekhar later said he wondered which of the two was the wilier.

Sharad Chandra Govindrao Pawar entered politics through a 1969 bye-election. A protégé of Y B Chavan, he became president of the Youth Congress and General Secretary, PCC, in charge of the youth wing. That was an era full of Maratha stalwarts like Vasantrao Naik, Y B Chavan, Babasaheb Bhonsle, and S B Chavan. The young Pawar learnt from them – in time emerging as a leader of stature himself, affectionately called "Bhau Saheb" (elder brother).

In January 1978, when the Congress split and Indira Gandhi formed her own party, Y B Chavan went with the Congress (R) of Brahmanand Reddy. Vasantdada Patil was Maharashtra CM and, though there was no love lost between him and Y B Chavan, Pawar was appointed Agriculture Minister. But he resigned soon and formed the People's Democratic Front. Within a year, he took over the Congress (R) and became its president with the help of Ambika Soni (general secretary). The party now became known as the Congress (S) and Pawar led it during Indira Gandhi's stint in the Opposition, later merging it with the Congress. During this period, he also became Chief Minister of Maharashtra for the first time.

Pawar has a streak of insubordination that has consistently surfaced. Unable to secure tickets for his supporters in the 1988 Assembly elections, he ensured the defeat of the official Congress candidates.

After Rajiv Gandhi's death, Pawar chose to throw his hat into the ring for the PM's post. He was a member neither of the CWC nor the CPP. His reasoning was that the Marathas must know he was a serious contender for the post and his partymen must see he was no less than the others in the race.

Perhaps the most serious blow he suffered was after the 1992 serial blasts. They damaged considerably more than just a few buildings in Mumbai, leaving gaping holes in Pawar's reputation as a daring administrator.

In 1997, when Sitaram Kesari was Congress chief, the historic Congress session at Calcutta was held. Pawar publicly invited Sonia Gandhi to lead the party. She attended the session, but left without uttering a word. At the same time, Pawar contested the post of Congress president and lost. All he could manage was a seat in the CWC – with the support of Sonia loyalists.

As he grew into a seasoned politician, Pawar learnt that politics is not played in isolation and a politician must have his finger on the people's pulse. He opted to lead influential sports bodies. He had a link with cricket, as his wife, Pratibha, is the daughter of cricketer Sadu Sule. Already president of the BCCI and of the All-India Kabaddi Association, Pawar is rumoured to be eyeing the International Cricket Council. He has an impressive gaggle of cricketing friends like Raj Singh Dungarpur, Sunil Gavaskar and Ajit Wadekar to advise him on cricket.

Fellow politicians consider Pawar untrustworthy and corporate circles as dubious. There's a telling anecdote from 1996. Sonia Gandhi had sent Pawar to J Jayalalithaa, soliciting help to become PM. Instead, Pawar asked Jayalalithaa to support him for the job. Incensed, Jayalalithaa informed Sonia Gandhi.

It is said that Maharashtra is ruled by 219 powerful Marathas, and Pawar has the support of 175. And he can count among his loyalists at least 100 businessmen who are individually worth over Rs 500 crore.

A virtual king in his constituency, Baramati, Pawar is known as the "Charan Singh of western Maharashtra". One of his henchmen is son-in-law Sadanand Sule. Pawar got daughter Supriya Sule elected to the Rajya Sabha to continue his political legacy.

About-turns have been a feature of his personal life, too. Once fond of chewing *gutka*, he kicked the habit after developing oral cancer. Then he tried unsuccessfully to oust *gutka* sellers from Maharashtra. g

FRIENDS GALORE

Sharad Pawar has friends and loyalists in almost every party and region. They include Bhairon Singh Shekhawat of the BJP, Mulayam Singh Yadav of the SP, Prakash Karat and Sitaram Yechuri in the Left, Om Prakash Chautala in Haryana, Prakash Singh Badal in Punjab, Farooq Abdullah in J&K, Shankar Singh Vaghela in Gujarat, K Karunakaran in Kerala, Chandrashekar Rao and Chandrababu Naidu in Andhra Pradesh. In the corporate world, Rahul Bajaj, Nusli Wadia, Keshav Mahindra and Jignesh Shah are his friends.

OLD FAITHFULS

- Chandra Ayangar, Private Secretary when Sharad Pawar was Leader of the Opposition in the Lok Sabha.
- Kumud Bansal (IAS, retired), who advises him on education.
- A N Rai, former Police Commissioner of Mumbai.

PLAYING POLITICS WITH CRICKET

Cricket and politics should not go together. But in India—where cricket has become the opium of the masses, especially the TV-watching middle class—the two have got so intertwined it is impossible to say where cricket begins and politics ends. The mileage cricket affords its chief administrator naturally lures a politician. How many of us know of Sharad Pawar as the Union Agriculture Minister? Most of India knows of him, but as president of the Board of Control for Cricket in India.

No wonder Pawar risked his political reputation and fought two bitter elections to defeat Jagmohan Dalmiya. The first time, Pawar was outsmarted at his own wily games but in the second round he used all his cunning skills. The fight was as ugly as it gets and even the courts had to intervene. Amidst charges of horse-trading, of money changing hands and of television companies playing a role, Pawar emerged the winner but it did no good to his image.

But that matters little to the Maratha strongman, who now appears almost daily on TV, stating he is going to improve the image of the sport in the world. In his tenure, cricket has gone from bad to worse and many feel that Pawar has little and no idea of how to govern the cricketing body. BCCI vote politics is such that even a man of Pawar's political experience must be finding it difficult to rally all his forces behind him. It is a game of give and take. It is a game of compromises and Pawar has to do his utmost to keep his flock together. He has to assuage the egos of people like former Punjab IAS officer IS Bindra, businessman Lalit Modi, industrialist Chenaai Srinevasan and lawyer-politician Shashank Manohar.

In the game of power-politics, the game of cricket is suffering. But does anyone care?

PRADEEP MAGAZINE

(The writer is National Sports Editor, the Hindustan Times*)*

US & India asleep at the wheel

Trammelled by R&D outsourcing and quotas, America and Bharat lose out to China | *by* VIVEK WADHWA

DUKE UNIVERSITY STUDENTS: NO SMILING MATTER

At Duke University we had published a study in 2005 on the engineering graduation rates of India, China and the US, which received extensive attention. We've spent the last 15 months researching this topic further and are releasing the latest data in a report in the National Academy of Sciences magazine—"Issues in Science and Technology". The National Academy of Sciences is the most respected and influential academic institution in America.

This new report presents lots of new information which has not been published before – even in India and China. It raises concerns that China is racing ahead of the US and India in its ability to perform basic research. The US risks losing its global edge by outsourcing critical R&D, and while India debates quotas and plays politics with education, China is positioned well for the future.

Our earlier study corrected the myths about India and China graduating 12 times as many bachelors-level engineers as the US, and the US being in trouble because of this. We reported that the US actually graduates a comparable number of such engineers, and reported serious problems with the quality of Indian and Chinese graduates. We predicted shortages in India and unemployment in China.

It seems we were right. China's National Reform Commission reported that the majority of its 2006 graduates will not find work, and there have been several reports about engineering shortages in India. For example, Senate Majority Leader Harry Reid was quoted recently as saying, "Consider that in 2005, more than 600,000 engineers graduated from institutions of higher education in China, compared to 350,000 in India and only 70,000 in the US. China's population is more than three times that of the US, yet they graduate more than eight times the number of engineers."

Our research had raised many questions. What was the trend? Did degrees really matter? Was it a deficiency or shortage of skilled Americans that was causing companies to go offshore? Where was this headed? What about Masters and PhD graduation rates? What are the American advantages? Our new report addresses these issues.

If you'd like to know more, contact Vivek Wadhwa, who led the study, at vivek@wadhwa.com

CONCLUSIONS

- Even if the US were to fix K-12 education, as Senator Reid and others are rightfully advocating, it would take 10-15 years before any benefits would accrue, and the US would have lost its competitive edge.
- Simply increasing graduation rates would cause them to suffer the same fate as Chinese graduates – unemployment and dropping salaries.
- The US can't continue to depend on foreign students to fill graduate and post-graduate programmes – as the economies of India and China improve, they will start returning home.

RESEARCH HIGHLIGHTS

The US is fixing the wrong problems. Outsourcing will continue and gain momentum, but this is not what America has to worry the most about. It is the outsourcing of critical research and design that is likely to go next. The bottom line is that the US and India simply seem to be asleep at the wheel while China races ahead.

* Starting in 1999, China flooded the market with bachelor's-level graduates to bring elite education to the masses and to drive down salaries and costs.
* This created massive unemployment, and the vast majority of these graduates won't find work. China has now slowed down.
* India has serious problems in quantity and quality, but private enterprise has been India's salvation – private colleges and "finishing schools" make up for the deficiencies.
* Multinationals can hire from most colleges in India but they can't hire from other than just about 10-15 schools in China.
* It is not the education of Indian and Chinese workers that is causing outsourcing or a deficiency in the American workforce – it's all about cost savings. There is no shortage of engineers in the US.
*Outsourcing will continue and build momentum and what will go next is research and design. The loss of R&D is what poses the real threat to US competitiveness.
* These new jobs will require more Masters and PhDs.
* China now graduates more Masters and PhDs in engineering than the US. Over a 10-year period, India and US graduation rates have shown relatively very small increases.
*India's engineering PhD numbers have remained flat – less than 1,000 per year, while China graduated 9,427 in 2005 and the US graduated 7,333. India does not even graduate enough to staff its growing universities.

by ARUN LAVANIA

A wizard in Nagaland

When R S Pandey assumed charge as Chief Secretary of Nagaland in June 2000, the state had schools where teachers played truant, hospitals without doctors – not even the Munnabhai MBBS types – and electricity lines crisscrossing the state but no regular and adequate power supply. So Pandey decided to harness the vast and rich traditional social capital of Nagaland through the user community in the management of public institutions and service.

Thus began a four-month "Imagine Nagaland" drive. It provided a platform for interaction between civil servants and the user community so that the solutions to problems, before being institutionalized in the files, would be relevant to the needs and demands of the community. This done, privatization and punishment were ruled out in favour of community participation. "I found that communitisation is privatization but in the hands of the user community. The managers are not selected on the basis of tenders," says Pandey.

The first sectors to benefit were education, power and health. The user community comprised village committees for education, health committees and Village Electricity Management Boards (VEMB) with power and management functions transferred to them. Thereafter, the government enacted the Nagaland Communitisation of Public Institutions and Services Act, 2002 to provide legal support to the communitisation process. An external evaluation of the education programme, done with the support of Unicef, has been gratifying for Pandey. Teacher attendance has improved to 70-90 per cent with a matching increase in children's attendance – ranging from 70 to 100 per cent. Consequently, the passing rate improved to between 75 and 100 per cent and the dropout rate became nil. The health sector stepped up availability of treatment and doctors, and saw a massive return of patients to government hospitals. The power sector registered improvement in revenue collection and significant fall in power thefts. The overall crime rate in the state dropped to 25 per cent during 2002-04 and Pandey is hopeful that this will lead to more people joining the mainstream.

Pandey, now secretary in the Union Steel Ministry, has won the Prime Minister's award for excellence in public administration for 2005-06 for his initiative in Nagaland. The officer was overwhelmed with emotion when the Chief Minister of Nagaland sent him a congratulatory note, saying: "The Nagas will always be grateful to you...." Obviously, communitisation has achieved what Panchayati Raj failed to.

The Prime Minister's awards for excellence in public administration are relatively new, announced on Civil Services Day – April 21 – last year. The awardees were selected through a three-tier process involving a shortlist from the state government that was forwarded to an expert committee headed by the Secretary, Ministry of Personnel. The names were then vetted by an empowered committee chaired by Cabinet Secretary B K Chaturvedi.

Mouse to farmers' aid!

E- governance is the new bandwagon in Karnataka and Rajeev Chawla, Secretary, e-governance its brand name. Chawla is the person behind the implementation of Bhumi, a computerised system for maintaining land records. He is a recipient of the Prime Minister's award for excellence in public administration.

The Bhumi programme began in 2000 as a pilot project in five *taluka*s. It was later extended to all the 177 *taluka*s of the state – covering about 6.7 million farmers owning 20 million land holdings! It was a Himalayan challenge that Chawla, then Additional Secretary in the Revenue Department (Land Reform) of the state, accepted.

He worked with 10,000 village accountants and over 2, 000 revenue officials for four years to digitize 20 million manual land records – an achievement unmatched in any other state.

The manual system of keeping land records involved over 9,000 village accountants and was beset with manipulation, delay and exploitation of farmers. Bhumi has made it possible for a farmer to obtain a copy of the Record of Right Tenancy and Cultivation (RTC) free. An additional copy costing Rs 15 is available at village kiosks.

Chawla's work included planning, training of officials at *taluka* level, garnering political support, and tackling misgivings and pessimism among the rural people. The project was unique in that, regardless of which party came to power in the state, it remained an apolitical developmental project.

Training of government officials cost Rs 12.8 million but the investment has fructified. The project has recovered Rs 180 million in three years against the total investment of Rs 244 million. The time taken to generate a copy of the RTC has been reduced from 1-30 days to 5-15 minutes. Crop record updating has increased to 80-100 per cent from 50-70 per cent. Records show charges have been collected from about 200 million users and the government expects to collect a minimum revenue of Rs 10 crore annually. g

Milestones is about your good work. Tell us about it by writing to gfilesindia@gmail.com

Bringing out the tiger

by GEN. J J SINGH

India's Chief of Army Staff fires a volley of home truths from an artillery of personal experiences

If you want to be a true leader, moral courage is of the essence. You have to be straight and you have to lead from the front. You cannot have double standards. You have to keep your word of honour. Our civilization has always believed in death rather than dishonour. This means keeping your credibility with subordinates. When you promise them something, make sure you keep that pledge. If you are unable to do so, have the courage to say why it was not possible.

In the Army, commanders are referred to as "tigers." And they are honour-bound to behave like tigers. I tell my officers they should not have double standards – they should not behave towards their subordinates like tigers and towards their superior officers like rats. Have you ever seen an animal that is half-tiger, half-rat? Even in mythology, there is no such creature. Take the case of a subordinate who enjoys having a social drink. But, in the company of his boss, when offered a drink he says he prefers fresh lemonade and, to impress the boss, says this preference is based on its mineral and Vitamin C content! His subordinates whisper that he should have the moral courage to say he would like a whisky and soda. This man, who behaves like a tiger with his subordinates, is behaving like a rat in front of his boss. A tiger should be a tiger – with his subordinates and his boss. If you behave like a rat in the hope that this will get you a promotion, you will not get it. An officer also displays the qualities of a tiger if he has the moral courage to take the rap rather than blame a mistake on his subordinates. You will rise in the esteem of your superior officers as well as your subordinates. It is the rat who tries to get away by saying: "It is not my fault, sir, the accountant made out the wrong cheque. I just signed it." It happens sometimes. But lame excuses and refusing to take responsibility do not an officer make. And I am quite clear about one thing: while punishments are meted out, no good officer's neck is cut in a hurry by any organization.

Punishment and praise must be objective and without any secondary consideration and you should never think of where your subordinate comes from, what language he speaks, what religion he believes in. It is his work and merit which matter. In the Army, we have made that our

GEN JJ SINGH: VALOUR IS NOT ONLY PHYSICAL

PHOTOS: sharad saxena

Sycophancy, unfortunately, is a universal organizational trait. We all feel happy when people say complimentary things about us. If you have someone constantly praising you then you should be clever enough to realize that this person will do the same thing to your successor

religion. One must always guard against merit being sacrificed at the altar of sycophancy. Sycophancy, unfortunately, is a universal organizational trait. We all feel happy when people say complimentary things about us. If you have someone constantly praising you then you should be clever enough to realize that this person will do the same thing to your successor. In recognizing this, you will be two steps ahead. A person who differs with you and looks at problems differently from the boss, may be delivering and achieving more than the person who showers you with praise.

In good organizational culture, the chief cannot behave as the repository of knowledge. This attitude kills all innovative thinking and initiative. A chap like me will encourage a whistle blower. He is part of the corrective mechanism when things are going wrong. But there is the "whistle blower" who is part of the mischief and, when about to get caught, blows the whistle. That is unfair. He should be a whistle blower in the true sense. I would respect and stand up for someone who publicly says we made a mistake rather than someone who says he did not make any mistake and keeps lying. For the sake of a few rats posing as whistle blowers with self-serving motives, I would never abandon the tiger. We will only produce results with tigers in our organization.

A dozen years ago, I met a woman cancer patient and her husband at the Army hospital. I told her a Reader's Digest story about an American woman who, diagnosed with cancer, fought it with physical activity – running between 5 and 10 km every day. I told the couple that there is an approach to cancer. It is as if you meet a tiger in the forest. You can say, "Tiger *sahib*, eat me if you must but spare me if you can." Chances are he is not going to listen to your pleadings. The other is that you pick up a stick, a stone, you put up a fight. Eventually, he may still eat you up but at least you died fighting. When I became Chief of Army Staff, the husband of the lady had become a brigadier. He wrote to me to say that his wife had overcome her cancer, and that they had never forgotten my advice.

Her victory over cancer may not have been just because of my telling her that story but it may be a drop, a drop that helped her, a drop in the ocean. I suppose it was enough to bring out the tiger in her. g

(Exclusively adapted from a closed-door session between Gen. Singh and a public sector audience.)

NEWS *you* can use

BUSINESS: INDRA NOOYI'S $6.2 MILLION INCOME

The *New York Times* has a spread listing the compensation for CEOs at a number of large public companies. Two of the executives are Indian: Indra Nooyi of PepsiCo and Rajiv Gupta of Rohm and Haas.
Nooyi, who was recently named *India Abroad*'s Person of the Year (Gupta handed her the award), earned $6,230,366 in total compensation last year. Here's the breakdown...
- Base Salary: $964,413
- Cash Bonus: $3,000,000
- Perks/Others: $153,506
- Stock Awards: $1,033,505
- Option Awards: $1,078,942

Gupta earned $9,723,770 last year, which was 2% more than he made last year.
- Base Salary: $1,005,000
- Cash Bonus: $1,437,150
- Perks/Others: $103,090
- Stock Awards: $4,868,671
- Option Awards: $2,309,859

The table includes some other figures as well, namely that Nooyi holds about $36.9 million in company shares and Gupta holds $27.8 million.

STATS: FIGURES ABOUT INDIA

It's often hard to pin down statistics about India and other South Asian countries. Contradictory, inaccurate numbers abound and regularly make their way into the press. Here are some useful stats sources for India (Readers are invited to send suggestions for India and the rest of the subcontinent).
- NationMaster.com India section (2,000+ stats)
- CIA World Factbook India section
- Government of India Ministry of Statistics and Programme Implementation
- Official census site
- UNICEF: At a Glance: India
- InternetWorldStats: India

There's also IndiaHealthStat.com, which seems to have a lot of useful information, but charges almost $300 and doesn't seem to have a free trial. Meanwhile, on the back cover of Mira Kamdar's new book, Planet India: How the Fastest Growing Democracy is Transforming America and the World *is a set of dramatic stats about India. See the full list below. What do you think? Post or email your thoughts to gfiles (gfilesindia@gmail.com)*

DID YOU KNOW?
- India is the world's fourth-largest economy.
- By 2034, India will be the most populous country on Earth, with 1.6 billion people.
- India's middle class is already larger than the entire population of the United States.
- One out of three of the world's malnourished children live in India.
- India is home to the biggest youth population on earth: 600 million people are under the age of 25.
- 72,000,000 cell phones will be sold in India in 2007.
- India just edged past the United States to become the second-most-preferred destination for foreign direct investment after China.
- In 1991, Indians purchased 150,000 automobiles; in 2007, they are expected to purchase 10 million.
- By 2008, India's total pool of qualified graduates will be more than twice as large as China's.
- By 2015, an estimated 3.5 million white-collar US jobs will be offshored.
- India is the largest arms importer in the developing world.
- American corporations expect to earn $20 to $40 billion from the civilian nuclear agreement with India.
- In 2007, there are 2.2 million Indian Americans, a number expected to double every decade.
- Twenty-nine per cent of India's population speaks English—that's 350 million people.

NEW FROM WORLD BANK: MEGA INFO STATION

The World Bank has launched a new website on South Asia with free access to economic and development data and analysis on these countries: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka
Resources available include:
-Economic Indicators
-Databases with GDP projections
-Forecasts on poverty reduction for the next 10 years
-"Interesting development facts" such as: 25% of Indian teachers don't show up to work; road accidents in South Asia are expected to rise by over 140% by 2020, etc.
The website has specific areas for users with different interests:
-Journalists can find latest news, media contacts, and upcoming key analysis before it is released at: http://www.worldbank.org/sarnews
-Businesses interested in consultancies and other opportunities with the World Bank should consult: http://www.worldbank.org/sarprojects
-Researchers and people interested in economic data should consult: http://www.worldbank.org/sardata

TO ACCESS THE ENTIRE WEBSITE GO TO: http://www.worldbank.org/sar

Also below is the press officer at the WB who deals exclusively with South Asia. So you should add her to your contacts list—and ask her to add you to their regular mailing lists.
Mapi Buitano, 202-473-8417, mbuitano@worldbank.org

Steel for scandal

CAG plus minister's probe find officials caused a humongous Rs 1,000-cr loss but no heads roll

MAKING STEEL: 1 TONNE OF COAL PRODUCES 1 TONNE OF HOT METAL

A year has passed – with no punitive action being taken – since a shocking case of irregularities in purchase of imported coal by the Steel Authority of India Ltd (SAIL), amounting to a loss of Rs 1,000 crore for the company, was uncovered by the Comptroller and Auditor-General (CAG) and a high-level committee instituted for the purpose by the Minister for Steel. Mysteriously, the matter faded into oblivion after it was sent by the Ministry to the Central Vigilance Commission (CVC).

SAIL imports around 70 per cent of its coal from Australia, with a little coming from the US and New Zealand. The company follows mainly two modes of procurement. One is a long-term agreement for three years, preferably with purchaser's option to the extent of two years. The procurement is through negotiation, not by inviting tenders. Around 90 per cent of the total purchase of coal is through this method. The other procurement mode involves issue of spot tenders either as global or limited tenders.

In 2004, certain amendments were made to these basic modes of purchase to allow an emergency procurement and term agreement. Thereafter, following complaints about SAIL and Rashtriya Ispat Nigam Ltd (RINL) buying imported coal of similar quality and specification at differing rates from the same supplier, the Ministry of Steel constituted an empowered joint committee to streamline purchase of imported coal. The committee comprised SAIL and RINL directors and the Ministry's Joint Secretary, who was on the board of SAIL. Subsequently, this arrangement was dispensed with and now only SAIL and RINL directors negotiate with suppliers.

YEAR	AMOUNT (Million Tonne)	VALUE (CIF) (Rs In crores)
2002-03	7.5	2052
2003-04	7.2	2019
2004-05	8.3	3524
2005-06	9.3	3540
2006-07	9.4	5900

There was a hidden agenda to create a crisis for coal and let the shortage snowball into an emergency instead of procuring coal through spot/miscellaneous offers at the rates demanded — PANDEY PANEL

But complaints kept pouring into the office of the present Minister for Steel, Ram Vilas Paswan, alleging bungling in procurement by creating artificial scarcity and then purchasing imported coal at higher prices. The Minister then constituted a committee comprising Arvind Pandey, former Chairman of SAIL, and S K Choudhary, former Chairman of Coal India Ltd, to investigate the procurement of coal by the company.

The Pandey Committee's terms of references were to find out whether SAIL considered the techno-economic impact of continuously changing specifications along with its effect on productivity; whether there was any possibility of avoiding import at exorbitant rates during the first and second quarters of 2004 and 2005; why SAIL's long-term suppliers could not meet the requirements; whether there was any possibility that an artificial emergency was created to procure coal/coke at exorbitant rates to benefit certain suppliers; whether SAIL violated CVC guidelines to procure coal/coke during 2004-05 through spot/negotiation basis; whether there was any *mala fide* procedural lapse or financial loss to the company in procurement of coal/coke during the said period and, if so, who was responsible; and to look into the audit observations on the purchase of coal/coke.

The Committee submitted its report in December 2005. The report said that after V S Jain took over as Chairman of SAIL in October 2002, long-term contracts to procure the required quantity of coal could not be finalized in time and indications of impending shortage became apparent in June 2003. The Committee found that, even with the declaration of Force Majeure by the long-term suppliers, the chronology of events since January 2003 indicated that even customary care was not taken to augment the supply of coal. Offers for supply of coal were not considered. When a long-term supplier, M/s MIM of Australia, declared Force Majeure, no pressure was exerted to make them arrange the committed quantity of coal. Global tenders were not called for. The additional quantity of coal available under the long-term contract of another supplier, M/s Oceanic, was not availed of in time.

The Committee concluded that the above circumstances, in the last two quarters of 2003, indicated two things. One, there was a hidden agenda to create a crisis for coal and let the shortage snowball into an emergency instead of procuring coal through spot/miscellaneous offers at the rates demanded. Two, there was complete negligence or callousness on the part of the SAIL management. Either way, it resulted in a situation which caused a huge loss to SAIL owing to purchase of coal at very high prices and also loss of production at a time when the market was buoyant. This amounted to abdication of duty on the part of all the officers responsible for timely procurement of coal to keep the plants operating at capacity.

CARRY ON, SAIL

*Minister constitutes Pandey Committee following complaints relating to SAIL purchase of coal.
*CAG also finds irregularities in SAIL purchase of coal.
*Pandey Committee report in December 2005 finds SAIL lost Rs 1,000 cr owing to these irregularities. Fixes responsibility on 4 SAIL officials.
*Steel Secretary sends Pandey panel report to CVC after 6 months.
* Complete information blackout follows. One official promoted to Chairman, SAIL.

S K ROONGTA: ESCAPING CENSURE?

Pandey committee fixed responsibility on Chairman V S Jain, Director (Commercial) S K Roongta, Director (Finance) G C Daga and Director (Technical) K K Khanna

The other aspect the Committee emphasized was with respect to Standards of Coal (Specifications) to be purchased and used in the plants for production of best quality steel. SAIL has fixed norms for specifications pertaining to the range of coal acceptable to SAIL. However, taking advantage of the shortage, coking coal that did not measure up was procured under various contracts.

The Committee said SAIL suffered loss of revenue amounting to Rs 1,000 crore due to the inaction of SAIL officials. It fixed responsibility for substandard purchase, not maintaining sufficient stock, not procuring good quality coal, not purchasing in time, not enforcing the agreement's terms and conditions, creating an artificial emergency and loss of production on four officials of the company – the Chairman, V S Jain, the Director (Commercial), S K Roongta, the Director (Finance), G C Daga, and Director (Technical), K K Khanna.

The Pandey Committee had relied heavily on the recent report of the CAG. The CAG had found fault with SAIL on similar counts: policy-related issues, lack of adequate coordination, action on forced nature by suppliers, loss of production worth Rs 250 crore, purchases outside long-term agreements, non-exercise of mutual option quantity resulting in loss of Rs 32 crore and so on.

The Ministry deliberated upon the Pandey Committee report internally for six months. Thereafter, Manoranjan Bhakta, then Secretary, Steel, sent it to the CVC.

Remarkably, when the CVC sent back its recommendations to the Ministry, the issue died a natural death. The contents of the CVC report are unavailable. The CVC has circulated several guidelines on public procurement. One, dated 5.2.2004, clearly states in para 4: "Organisation must ensure that contracts are awarded on the basis of competitive bidding at reasonable rates." What did the CVC have to say on the irregularities pointed out by the CAG and the Pandey Committee relating to procurement of coal worth crores of rupees?

Interestingly, the roles of the CAG and CVC differ in that the CAG establishes faults in the system but refrains from indicting individuals whereas the CVC's task is to indict persons whose intentions are *mala fide*. However, in commercial matters, the CAG's findings overrule the CVC's.

In the aftermath of the CVC's report, reward rather than punishment was doled out to the very officers held guilty by the Pandey Committee. Roongta was promoted to Chairman, SAIL after having been asked to go on leave for four months. Khanna remains Director (Technical) while Daga returned to his parent organization, Indian Oil Corporation, as Director, Marketing. Jain left the public sector and secured employment as CEO with Jindal Steel. g

The Boob Tube Babus

lack of professionalism, authoritarian attitudes, turf battles are sapping DD's morale

ILLUSTRATION: aruna

The tussle between professionals and generalists serving a government and a nation is perennial. In today's changing world scenario, the professional has a cutting edge because of the emphasis on focused education and the increasing demand for experts. Government departments and the IAS see this as the biggest challenge to their traditional turf and they protect it from "encroachments" with all the administrative powers at their command. But the new role of the expert is inexorable. In order to stem this tide, a shape-up-or-ship-out thought process is fuelling the demand for administrative reforms as well as sending IAS officers abroad to modernize and broaden their perspective.

But the stark reality is that there is today growing and widespread resentment in all other cadres against the IAS. The recent outburst by the IRS Officers Association that their service rather than the IAS should be treated as the topmost service of the country because of their expertise in generating revenue, has won widespread sympathy among career professionals throughout the government.

When Dr Manmohan Singh – an educationist and economist – became Prime Minister, it was generally assumed that he would catalyze all professionals to come to the forefront of government to take the initiative in implementing his vision of changing India. This, alas, did not happen. He tagged along with the IAS fraternity, perhaps driven by the traditional view that they were the saviours of the country. The result is that IAS authoritarianism still asserts itself to the detriment of good governance and efficiency.

This is often comical. Let's take the example of Doordarshan. This was once a thriving media empire ruling the airwaves and creating milestones. It was a centre for culture, literature, music and the best of theatre. It functioned with a vision. It had an abundance of trained professionals. One day it became a happy hunting ground for the IAS whose cadres began to infiltrate the organization. They brought in their own style of working, or not working (whichever you prefer). Look where it stands today. Its utility as a public service broadcaster has slumped. Viewers no longer perceive it as an alternative medium to commercial broadcasting. Even government departments have moved to other channels for publicity. Why? Has anyone ever cared about the reasons? What ails Doordarshan? Why is it unable to compete despite all its resources and first advantage?

Plain and simple, DD is in the critical stages of a disease called unprofessionalism. Since the time the IAS, CSS, IDAS, DANICS officers made it their convenient hiding place, it has gone down the gutter. It is more like a Labour Commissioner's office, bereft of any media specialization, training or vision. The succession of bureaucrats who ran the institution experimented, played with the system, and left for greener pastures after creating havoc.

It is more like a Labour Commissioner's office, bereft of any media specialization, training or vision. The succession of bureaucrats who ran the institution experimented, played with the system, and left for greener pastures after creating havoc

Not long ago, a senior functionary of the Indian Information Service (IIS) joined as head of News on deputation. It soon became obvious that the person does not know the difference between TV production and a hole in the wall. One incident proves this. The officer went on a round of studios before the live telecast of the national news. The producer was shouting to the cameraman on his mike that he was not getting the newsreader's headroom (a technical

term for proper framing of the head of the person for the screen shot). The frantic producer yelled that unless he got the correct headroom, the telecast would not go on air. The officer overheard this and called the storekeeper and ordered: "Get him the headroom immediately. I will sign the order later. Fast...." There was pin drop silence in the Control Unit.

Another DG who went to China to attend the ABU Conference for the Olympic Games, was asked whether India would have the feed with "international sound". He stood up and asserted his patriotism before 300 foreign delegates: "No, please, we will take only Indian sound – we are Indians." He was greeted with shocked silence. The director accompanying him whispered: "Sir, say 'customised feed with international sound'."

More recently, a DG heard in a meeting around lunchtime that "feed would come at 1.30 pm" and took it to mean that lunch was customarily served to all at that time until someone apologetically explained that "feed" was jargon for transmission signals.

And now the newly appointed CEO – who is unacquainted with the basics – goes on a tour to the US and UK to study media. What is inexplicable is that the professional who was to accompany him (and whisper into his ear if necessary) has not been given permission to travel by the I&B ministry.

The policy for the Kashmir channel was personally dictated by the previous Secretary of the I&B ministry. He arrogantly brushed aside all inputs provided by professionals, referring to them as inept and corrupt. The policy was implemented and the scheme boomeranged. When UPA chairperson Sonia Gandhi intervened to rescind the policy, the Secretary shifted the blame to his juniors.

Most recently, the scheme for acquisitions of programmes was entrusted to an officer not belonging to Doordarshan. Her procedures have roused widespread allegations of corruption, waste and mismanagement. There is general chaos in the department. She enjoys the confidence of the new CEO, who is known for rudeness and bad manners.

Where will the true professional go? For over 17 years, no professional staff has been recruited and those retiring are not being substituted. Posts are being scrapped and non-professionals are being inducted. The acting DG, an acclaimed author and thorough professional who has won international accolades and who belongs to the cadre, has been kept hanging in limbo. Why? The inside story is that he is from a reserved community and the ministry officials are averse to that.

DD's professionals are planning to write to the prime minister requesting his intervention to set matters right. They are asking for improved working conditions, upgradation of cadres, and retirement at 65 as in all other professional services. g

'Destiny made me serve the people of India'

the 1948 ICS topper recalls how a young nation took momentous decisions

PHOTOS: SHARAD SAXENA

PRASAD: SUPERANNUATED CONTENTMENT

Strange are the ways of destiny. Even though I had no inclination to be a bureaucrat, destiny desired otherwise, carving a role for me to serve the people of India. I was born in India but spent my childhood and was educated in Colombo, Sri Lanka, where my father was posted as a civil servant. He was in the colonial Civil Service.

After graduating in history from London University and earning the Bar at Law degree, I landed in India in 1947. With my father and brother, Rameshwar Prasad, being civil servants, my family suggested that I should take the Indian Civil Services exam. Well, I had no option but to take the exam. Remember, I was already married.

I appeared for the Indian Civil Services exam in July 1947. The events leading to and aftermath of Independence delayed the results. They were finally announced in March 1948 and, much to the delight of my family and myself, I had topped. I opted for the Uttar Pradesh cadre as our family belonged to Saharanpur.

After Independence, the government debated abolishing the Indian Civil Services. However, Sardar Vallabhbhai Patel – the "iron man of India" – who was also the first Home Minister of the country, stood firmly in support of the ICS. A conference of Chief Ministers was called and most of them, including Govind Ballabh Pant, were against it. They felt the Provincial Civil Service was adequate to run the administration. But Sardar Patel convinced them that a unitary administrative service would help in the integration of India. He got it cleared by the Cabinet. In hindsight, one can judge how farsighted he was.

Earlier, the provincial service officers were hostile to the central service officers. Then the dust settled and both existed peacefully. In the initial stages, young officers were trained at the IAS Training School, Delhi, and the IAS Staff College, Shimla. On April 15, 1958, the Home Minister announced in the Lok Sabha a proposal to set up a National Academy of Administration where training in foundational and fundamental subjects would be given to all recruits in the senior grades of the service.

The Ministry of Home Affairs decided to amalgamate the IAS Training School and the IAS Staff College to form a National Academy of Administration at Mussoorie, a hill station at a height of a little over 2000 metres and just 35 km by road from the railhead at Dehradun. The Academy was housed in the prestigious Charleville Hotel, built around 1870. This provided the location and

'I observe now that bureaucrats spend a lot of time in office. Instead, they should be going to meet the masses. My batch was the first after Independence. Most of the candidates were from an urban background and did not have any idea about villages. I used to go to villages and talk to the people directly and always get firsthand reports'

initial infrastructure for the Academy. There have been subsequent expansions.

When I joined the Academy, A N Jha was director.

That was a difficult and painful time for every Indian – when the country was partitioned. It was a period when everyone was struggling in life.

I observe now that bureaucrats spend a lot of time in office. Instead, they should be going to meet the masses. My batch was the first after Independence. Most of the candidates were from an urban background and did not have any idea about villages. I used to go to villages and talk to the people directly and always get firsthand reports.

My first posting was as joint magistrate, Bulandshahr. Later, I became Sub-Divisional Magistrate at Khurja.

The abolition of *zamindari* was a major decision we took. Lal Bahadur Shastri inspired the idea and we went ahead with it. Everyone is reaping the fruit of this revolution today.

I was privileged to work with the UP Chief Minister, Govind Ballabh Pant—a simple, honest man and a wonderful administrator. He maintained close contact with the District Magistrates. During his visits to the districts, he would go into minute details of the issues and problems of the people. That kept all the officers on alert all the time. He would even ask about the prices of vegetables!

I also worked with another UP Chief Minister, Sampoornanand. He was a firm administrator and kept control. However, he was not a very popular Chief Minister. But he was popular and respected among bureaucrats as he would back their decisions.

I had very good relations with his successor, C B Gupta. He was a wonderful organizer and had great control over the party. He was basically a party man. Like Lal Bahadur Shastri, he would listen to everyone but take his own decisions. He could take quick decisions and implement them ruthlessly.

The most inspiring part of my career has been working with and for the people. I was blessed in being able to work with the ordinary citizens of the country and earn their affection and gratitude. It has been a satisfactory journey of life for me. g

MEN FOR ALL SEASONS

Lal Bahadur Shastri

I had the honour of working with Lal Bahadur Shastri as his special assistant from 1959 to 1966. He was a down-to-earth, humble, and polite man. He was also a man of principles, of clarity of thought, and firmness. He was soft-spoken and never shouted at anyone. One day, he came to my room to enquire about a document. I was embarrassed and said he could have called for me. Shastri*ji* replied: "I thought you would be working so I decided to come myself."

Shastri*ji* would spend a long time in taking decisions. He would consult people and listen to what they had to say for hours. But once he made up his mind, he would stick to the decision.

I was very sorry not to have been with him on the trip to Tashkent, where he died of a heart attack. It was C P Srivastava who accompanied him. Later, I wrote a book on him, titled *Days with Lal Bahadur Shastri*.

Jawaharlal Nehru

I was privileged to meet India's first Prime Minister as I used to accompany Shastri*ji* for meetings with Pandit Nehru. Nehru*ji* was a great personality. Besides being courteous, he was also charming. Most of the country's policies were laid down by him. During his time, Cabinet meetings were a one-man show. Nehruji would do most of the talking and others would only listen and follow him. He was very fond of talking. He was quick in taking decisions and also ensured that they were implemented fast.

TRACKING

For a complete list of appointments & retirements, see www.indianbuzz.com or www.gfiles.info

Sanjay Kaul
The 1979 batch IAS officer has been appointed Chief Executive Officer, Institute of Commodity Market.

K Natrajan
The 1973 batch IPS officer has been posted as DGP Vigilance, TNEB on promotion to the rank of DG in Tamil Nadu.

P Rajendran
The 1979 batch IPS officer has been promoted to DG and posted as Chairman, Tamil Nadu Uniformed Services Recruitment Board, Chennai.

Vijay Shukul
The 1981 batch IPS officer has been appointed Member of the Madhya Pradesh Human Rights Commission.

K L Meena
The 1981 batch IPS officer of the West Bengal cadre has taken over as IG, BSF, Rajasthan Frontier.

Ramesh Negi
The 1984 batch IAS officer of the UT cadre has been appointed Chief Electoral Officer of Goa.

P Ghosh
The 1969 batch IAS officer is now Vice-Chairman of the Environment Tribunal. He is scheduled to retire on May 31.

T K Manoj Kumar
The 1987 batch IAS officer is now Deputy Director of the Lal Bahadur Shastri Academy of Administration.

Rajwant Sandhu
The 1975 batch IAS officer of HP cadre has been appointed Additional Secretary, Panchayati Raj.

Asha Swarup
The 1973 batch IAS officer from HP is now the new Secretary, I&B.

M K Sinha
The 1971 IPS officer of the Bihar cadre has been appointed DG of the Railway Protection Force (RPF).

L K Gupta
The 1987 batch IAS officer has taken over as Joint Secretary, Revenue in the Government of India.

Parimal Rai
The 1985 batch IAS officer of the UT cadre has taken over as Chairman of the NDMC in April.

Ramesh Chand Meena
The 1991 batch IAS officer is the new Secretary of the Tamil Nadu Public Service Commission.

K K Singh
The 1985 IAS officer has been appointed the new secretary to Balram Jhakar, Governor of MP.

S K Arora
The 1971 IAS officer has become the Secretary, Sports and Youth Welfare, Government of India.

T C Gupta
The 1987 batch IAS officer is now chief administrator, Haryana Urban Development Authority.

MOVING ON: *ias officers retiring in may*

ASSAM & MANIPUR
C Babu Rajeev (1973)
BIHAR
Muralidhar Rai (1993)
HIMACHAL PRADESH
Kishan Singh Narang (1985)
Chamel Singh (1994)
KERALA
Lida Jacob (1984)
K Chandrasekhar Babu (1993)
A K Agarwal (1970)
KARNATAKA
I Devendiran (1977)
MADHYA PRADESH
Khushi Ram (1974)
MAHARASHTRA
Melovithi Damodaran (1971)
Santosh Chandra Das (1987)
ORISSA
Suresh Chandra Mantri (1989)
PUNJAB
Satwant Reddy (1971)
RAJASTHAN
Anil Vaish (1970)
R N Arvind (1988)
TAMIL NADU
C Chandran (1977)
UTTAR PRADESH
Om Prakash (1977)
UNION TERRITORY OF DELHI
P Ghosh (1969)
WEST BENGAL
Bijan Kumar Kundu (1987)

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...by the way

Our very own Bhupi Bhai of Haryana

PHOTO: sanjay kurl
ML TAYAL: OLD BOY

In the corridors of power, it's often not so much what's in a name but behind it that matters. Haryana Chief Minister Bhupinder Singh Hooda is now popularly known as "Bhupi Bhai". The nickname has been popularized by none other than Principal Secretary M L Tayal, an IAS officer of the 1976 batch, who was Hooda's college classmate. A seasoned, upright officer, and a tough taskmaster, he was not accorded his due stature under the previous political regimes. Former chief minister and Indian National Lok Dal (INLD) chief Om Prakash Chautala had even charge-sheeted Tayal in a case relating to issue of a notification on July 21, 1999, reducing the security deposit for allotment of mines in Haryana.

When Hooda came to power, he remembered his college pal, who is also a great golfer, and rewarded him with the state's most powerful bureaucratic post. And Tayal reciprocated by popularizing a name bound to endear Bhupi Bhai to one and all.

Patil thwarted over Home Secy

Union Home Minister Shivraj Patil, being from Maharashtra, obviously has a soft corner for IAS officers from his state. When V K Duggal retired as Home Secretary, sources say Patil summoned the Maharashtra Chief Secretary, D K Shankaran, to New Delhi and asked him to be ready to take up the post.

Shankaran, who is from the 1970 batch and retired in April, was keen to get the post as it would get him an extension of service because the new rules stipulate a two-year tenure for the Home Secretary. But before Shankaran could secure official intimation of his new job, Madhukar Gupta, an IAS officer of the 1971 batch, arrived in North Block from Uttarakhand and whisked the chair away from under his nose.

It is said that Patil was left as much at a loss as Shankaran by the quick turn of events

Mulayam's blue-eyed boys

MULAYAM: NUMBERED DAYS

Many tales of a nexus between corrupt bureaucrats and UP Chief Minister Mulayam Singh Yadav emerged after the Assembly elections were announced. Chandrama PrasadYadav is known to be a blue-eyed boy of Mulayam and his brother, Shivpal Yadav. Whenever Mulayam has been out of power, Chandrama Prasad has managed his domestic affairs. After becoming CM, Mulayam appointed him special secretary and then promoted him as secretary in his office – overlooking the seniority of other officers. Further, Chandrama Prasad was given a year's extension after retirement last year. When the extended term expired, he was made Officer on Special Duty in an obscure department and then brought back to the CM's office. He reputedly enjoys a *carte blanche* in running the home and housing departments.

Chandrama Prasad asked the Awas Vikas Parishad, Lucknow, to allot 2,000 acres of prime land along the Sultanpur highway to a private builder, Ansals. Housing Commissioner V N Garg refused on the ground that the land was acquired from farmers for allotment to the weaker sections of society. Garg was then removed from the post and made member, Revenue Board. A Khan, District Magistrate, Gonda, replaced him and readily obliged Chandrama Prasad. The AVP employees went on strike in protest against the illegal allotment. It seems time for Chandrama Prasad to prepare for his old role as caretaker of Mulayam's domestic affairs.

Pawar's men in slanging match

ILLUSTRATIONS: aruna

Not everyone is as gratified as the Prime Minister at the economy's 8.5 per cent growth rate. It has put the Ministry of Agriculture under considerable strain as the agriculture sector's growth rate is less than 2 per cent.The stress between the bureaucrats and technocrats surfaced recently in an unseemly verbal duel before Union Agriculture Minister Sharad Pawar.

At a meeting, a senior technocrat of the level of secretary fired the first salvo by noting the large – and unwarranted – number of bureaucrats. "This ministry has a secretary, five additional secretaries, 11 joint secretaries, many directors seated in the headquarters in Kursi Bhawan, oops, Krishi Bhawan," was his barbed way of putting it.

What he was actually getting at is that agriculture, being a state subject, required bureaucrats to assume a monitoring role while transferring funds to the states for the latter to manage them. "Only three bureaucrats can do the job. Otherwise, people will keep calling Krishi Bhawan Kursi Bhawan," he said.

A senior IAS officer shouted that the bureaucrats could find fault with the technocrats as well. The technocrat then pointed out that every project invariably became trapped in the gridlock of *babu*dom and, by the time the particular file was rescued for final approval, the relevant crop season would be over. **g**

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